

# Jobs and the Economy

## Made in Ohio: Creating and Retaining Manufacturing Jobs

Manufacturing accounts for nearly 12 percent of the \$14 trillion U.S. economy and has broad positive effects for the entire economy. On average, manufacturing positions pay 20 percent more than service jobs. Each manufacturing job supports four to five other jobs in the economy, and while employment in manufacturing has steadily declined, one in six private sector jobs is still in or directly tied to manufacturing.

Sen. Brown worked diligently in 2012 to create and retain Ohio's valuable manufacturing jobs. From the auto rescue, to meetings with President Barack Obama, to legislation, and advocacy with the private sector, Sen. Brown's efforts are beginning to yield results. The manufacturing sector has slowly added jobs each month since January 2010, reversing the trend of the previous decade. Some 500,000 manufacturing jobs have been added over the past two years.

## Continued Job Growth Resulting From the Auto Rescue

Sen. Brown was a staunch advocate for the auto industry rescue in 2009, and since then, General Motors and Chrysler—as well as Ford, Honda, and numerous parts suppliers—have added new jobs and expanded investments at their plants across Ohio. For instance, General Motors announced in August that it plans to invest an additional \$220 million in its Lordstown and Parma plants to build the next-generation Chevy Cruze. More than 850,000 Ohio jobs are tied to the automotive sector.



## Investing in a National Manufacturing Strategy

As a nation, the United States has been without a focused strategy on maintaining a strong manufacturing base and growing this sector. Partially as a result of this oversight, the manufacturing sector lost more than 5 million jobs in the 2000s—approximately one-third of its workforce. To address this deficiency, Sen. Brown and Sen. Mark Kirk (R-IL) introduced the *National Manufacturing Strategy Act* to propel the public and private sectors towards a renewed focus on manufacturing job growth.

## Partnering with Industry to Train Workers for 21<sup>st</sup> Century Jobs

In 2007, Sen. Brown and Sen. Olympia Snowe (R-ME) were the first members of Congress to highlight the need to push the federal workforce training system in the direction of sector and industry partnerships. They came to this conclusion because too many employers talked about the struggle to find skilled workers, and too many workers who said there were no jobs available.

Their *Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act* addresses the disparity between high unemployment rates and a shortage of skilled workers for many emerging industries. Despite Ohio's unemployment rate hovering below 7 percent, there is still demand in today's labor market for skilled workers. The *SECTORS Act* would organize stakeholders connected to a regional industry—multiple firms, unions, education and training providers, and local workforce and education system administrators—to develop plans for growing that industry.

### **Encouraging Manufacturers to Bring Jobs Home to Ohio and the U.S.**

A little-known provision in our tax code allows businesses to deduct from their taxes the cost of shipping jobs overseas. To combat this backwards practice that encourages outsourcing, Sen. Brown cosponsored the *Bring Jobs Home Act*, legislation that would establish a tax incentive for businesses to bring jobs back to the United States, while ending tax loopholes for companies that outsource jobs to foreign countries.

### **Building a National Network for Manufacturing Innovation**

Since 2007, Sen. Brown has listened to Ohio manufacturers at more than 200 roundtables in all of Ohio's 88 counties. One lesson he has learned is the value of collaboration between the private sector, universities, federal labs, and small and medium-sized manufacturers. With Ohio's strong anchor institutions – like NASA Glenn, Wright-Patterson Air Force Base, and the Battelle Memorial Institute – combined with world-class engineering schools and iconic manufacturers like GE, Boeing, Airbus, and Honda among others, Ohio is poised to capitalize on its innovative edge and attract greater investment and job creation.



To advance this collaboration, Sen. Brown has proposed creating a “National Network for Manufacturing Innovation,” which would leverage federal resources with the private sector to accelerate the development of new manufacturing technologies and processes. In August, Sen. Brown announced the award of \$30 million to create a pilot “National Additive Manufacturing Innovation Institute” (NAMII) that will be based in Youngstown. The NAMII is a collaboration between industries in Ohio and Pennsylvania, along with Case Western Reserve University, Youngstown State University, Lorain Community College, the University of Akron, Carnegie Mellon University and several manufacturers to accelerate the development of “3-D printing” for defense-related products.

### **Making Clean Energy Products in America**

In August, American wind power reached a new milestone of 50 gigawatts of electric generating capacity, the equivalent of powering nearly 13 million American homes. According to the American Wind Energy Association, this equals the generating power of 44 coal-fired power

plants, while emitting far less carbon dioxide and conserving 30 billion gallons of water each year.

Ohio manufacturers have taken advantage of the Advanced Energy Manufacturing Tax Credit to help qualified employers retool for clean energy manufacturing. This tax credit, also known as Section 48(C), supported up to \$2.3 billion in tax credits for investments in clean energy manufacturing plants, including several in Ohio.

Sen. Brown worked with the Great Lakes WIND Network (GLWN), the Blue-Green Alliance, and the private sector to introduce legislation to extend this effort to incentivize new manufacturing jobs. The *Security in Energy and Manufacturing (SEAM) Act* would maintain the tax credit to spur job creation. Combined with the Production Tax Credit, which is critical to continuing the growth of the domestic supply chain for clean energy, these tax credits are working and creating 21<sup>st</sup>-century clean energy jobs in Ohio.

## **Growing Small Business**

### **Celebrating a Record Year of Small Business Administration Lending in Ohio**

Small businesses are the backbone of our economy, and access to capital is vital for them. In Fiscal Year 2011, the Small Business Administration (SBA) approved a record 3,228 loans amounting to nearly \$760 million for Ohio small businesses. In Fiscal Years 2009-2011, the Northern District of the SBA saw more than a 65 percent increase in the volume of SBA loans to area small businesses.

To aid these efforts, Sen. Brown was instrumental in passing the *Small Business Jobs and Credit Act*, which expanded the SBA provisions in the Recovery Act that helped small business owners access more private capital. Sen. Brown also fought for increased loan limits in the SBA's most popular loan programs. Endorsed by the Chamber of Commerce and National Federation of Independent Businesses (NFIB), the *Small Business Jobs and Credit Act* also provided \$55 million to the Ohio Department of Development under the State Small Business Credit Initiative.

Since 2009, Sen. Brown's office has conducted more than 30 small business workshops throughout Ohio. These workshops provided Ohio small businesses with important information on SBA loan programs, resources to help increase export sales, tax incentives to help invest and hire workers, and federal procurement resources.

### **Growing and Incubating New Small Businesses Across Ohio**

Business incubators help to reduce the risks entrepreneurs face, provide critical resources for young companies in need, and help create jobs in Ohio. Sen. Brown's *Business Incubator Promotion Act* would make more communities in Ohio eligible to receive funds that support business incubators through the U.S. Economic Development Administration (EDA). Incubator support has already created hundreds of thousands of jobs by providing start-up companies with services that help turn innovative ideas into viable businesses.

Sen. Brown also announced a new partnership between the U.S. Small Business Administration (SBA) and the U.S. Black Chamber, Inc. This alliance is aimed at connecting African-American entrepreneurs with the resources needed to grow their businesses and help create new jobs – especially in historically underserved communities. Additionally, Sen. Brown launched a new webpage designed specifically to help entrepreneurs in underserved communities connect with the SBA to help entrepreneurs transform their ideas into the next successful small businesses.

### **Helping Ohio’s Small Businesses to Increase Exports**

It is critical that more Ohio small businesses become engaged in the global economy, and the U.S. Small Business Administration (SBA) has programs that can be leveraged to help small businesses expand into new markets and hire workers. As a member of the President’s Export Council, Sen. Brown has been a tireless advocate on behalf of Ohio companies seeking to grow their exports and reach new markets.

Sen. Brown’s office has held multiple seminars throughout the state to help connect Ohio businesses with federal resources to increase their export sales. Sen. Brown also led the charge in the Senate to reauthorize the Export-Import (Ex-Im) Bank. More than 140 Ohio businesses have received financing through the Export-Import Bank since 2009 at no cost to U.S. taxpayers. In May, the Senate approved the reauthorization of the Ex-Im Bank and President Obama later signed the bill into law.

### **Protecting Workers and Industries Against Unfair Trade**



Sen. Brown consistently stands up for workers and manufacturers affected by countries that unfairly subsidize their industries to undermine U.S. manufacturers. He believes that strong enforcement of our trade laws and creating a level playing field are critical to protecting Ohio jobs. In 2012, Sen. Brown continued to lead the Senate in calling for a tough trade policy that holds trading partners accountable to the rules and prevents a “race to the bottom” on labor, environmental, and food and drug safety standards.

### **Holding China Accountable**

In 2011, after four years of challenging presidents of both parties, Sen. Brown authored and successfully passed through the Senate the *Currency Exchange and Oversight Reform Act*, bipartisan legislation to crackdown on China’s currency manipulation. Currency manipulation is an illegal trade practice in which the Chinese government intentionally devalues its own currency against the United States dollar. This results in artificially expensive American imports to China, and artificially cheap Chinese imports to the United States. Throughout 2012, Sen. Brown kept up pressure on the Republican-controlled House of Representatives to vote on and pass this critical bill.



## **Buying American-Made Goods**

Sen. Brown believes that whenever possible, taxpayer dollars spent by the federal government should be on Made-in-America goods. He has pushed for stronger “Buy America” and accountability policies on multiple fronts.

## **Requiring the Defense Department to Purchase American Steel for Armor Plate**

Sen. Brown led a successful Senate effort to require the Defense Department to purchase 100 percent American-made steel for armor plate. By advancing legislation, the *United States Steel and Security Act of 2012*, and pushing the Administration to make this decision on its own, Sen. Brown’s efforts were realized in July when the Defense Department proposed a new rule requiring steel purchased by the military be 100 percent domestically produced.

## **Buying American-Made Iron and Steel for Highway and Transportation Projects**

Sen. Brown successfully secured language in the new transportation law to improve transparency and reporting of the U.S. Department of Transportation’s Buy America preferences and to close the loophole that has allowed foreign iron and steel for highways and bridges to be purchased with U.S. taxpayer dollars.

## **Limiting Tax Credits to American-Made Solar Panels**

China will stop at nothing to support key, growing industries, like solar panels. In addition to getting tough with trade enforcement, Sen. Brown is working to ensure that taxpayer dollars—through any federal tax credits—are used to buy American-made solar panels. Sen. Brown introduced legislation that would bar Chinese-made solar panels from qualifying for the 30 percent tax credit that U.S. individuals and businesses receive for purchasing and installing solar panels in their homes and businesses. Sen. Brown’s efforts come as the amount of new solar wattage installed in the U.S. has grown more than 70 percent per year since 2008, yet the vast majority of those solar panels have been made in China and have undercut U.S. producers and jobs.

## **Giving Preference to American-Made Textiles and Apparel**



Sen. Brown passed through the Senate legislation requiring American flags bought by the government be 100 percent made-in-America, like those made by Annin & Co. in Coshocton. Additionally, following reports that the 2012 Olympics Opening Ceremony uniforms for American athletes had been manufactured in China, Sen. Brown secured a commitment from the CEO of the U.S. Olympic Committee to make uniforms for the 2014 Olympics in the United States. Sen. Brown has also introduced legislation requiring federal agencies to give preference to 100 percent made-in-America apparel.

### **Keeping Call Center Jobs in the U.S.**

Ohio has more than 198,000 call center jobs. Sen. Brown cosponsored the *U.S. Call Center Worker and Consumer Protection Act*, which could help keep jobs in the U.S. by requiring companies to notify consumers that their calls are being transferred abroad. The bill would also make businesses that move call center jobs overseas ineligible for federal grants or loans.

### **Putting American Interests First**

Sen. Brown believes that our trade policy has not promoted our economic interests. He has led the fight to make trade enforcement a matter of practice—by requiring the government to take action when China or any trade partner does not follow the rules.

### **Defending Ohio at the International Trade Commission**

In 2012, Sen. Brown supported several Ohio producers and workers by testifying before the U.S. International Trade Commission (ITC) on behalf of steel wheel makers in Akron and steel bearings producers in Canton and urging the ITC to maintain duties on unfairly-subsidized imports of these items. He has also been a strong advocate for American workers and businesses in similar cases before the ITC. The ITC's ruling in a December 2009 case led to the application of duties on imports to support domestic producers of steel pipe like V&M Star and Wheatland Tube in Warren. By addressing illegal Chinese trade practices, this decision helped increase demand for domestic production. It also played a positive factor in V&M Star's decision to build a new, \$650 million seamless pipe mill in Youngstown, bringing hundreds of jobs along with it.

### **A Bad Trade Ruling and a Swift Bipartisan Fix**

In late 2011, the U.S. Court of Appeals for the Federal Circuit ruled that the Commerce Department did not have the legal authority to impose countervailing duties (CVDs) on subsidized imports from countries including China and Vietnam. Were this ruling to become final, it would have had severe economic and employment effects on thousands of workers employed by more than 80 companies in as many as 38 states, including more than a dozen Ohio companies in industries as diverse as paper, steel, tires, aluminum, and magnets.

In early 2012, Sen. Brown—along with fellow Ohio Senator, Republican Rob Portman—introduced legislation that would allow these duties to be maintained. The bill was passed by Congress in March and signed into law, preserving a critical trade enforcement tool.

In addition to working together to maintain the ability of the Commerce Department to apply countervailing duties to unfairly-subsidized foreign imports, Sens. Brown and Portman have worked together to defend several Ohio companies from unfair trade. Specifically, both Ohio Senators have worked together to:

- Assist Ohio candle producers in Leesburg, Norwich, and Cincinnati in upholding Antidumping orders on unfair Chinese imports;
- Defend Ohio's manufacturers of hot-rolled steel in Cleveland and Middletown from Brazil, Japan, and Russia;
- Strengthen enforcement of U.S. trade law by accounting for export taxes in Chinese Antidumping investigations to help companies in Beverly;

- Uphold Antidumping orders on urea from Russia and Ukraine to help Lima urea manufacturers;
- Defend diamond saw blade manufacturers in Elyria from dumped imports from China;
- Urge government action to investigate illegal imports of vanadium pentoxide from Russia to help producers in Cambridge;
- Support Ohio glassware manufacturers in Toledo and Lancaster in Trans-Pacific Partnership negotiations;
- Enforce existing antidumping orders against unfairly trade imports of lined paper school supplies from China to protect manufacturers in Kettering.

## **Holding Russia Accountable at the WTO**

In July, Russia formally joined the World Trade Organization (WTO). In order for U.S. companies to benefit from Russia's membership, Congress must grant Permanent Normal Trade Relations (PNTR) to Russia. Yet a decade of experience with China's failure to abide by all of its WTO commitments has provided ample evidence that we must strengthen enforcement.

Sen. Brown believes that Ohio workers, farmers, ranchers and producers should have confidence that, if a trade deal is signed, it will actually be enforced. That's why he introduced the *Russian World Trade Organization Commitments Verification Act of 2012*, which would ensure that Russia upholds its trade promises. The legislation extending PNTR to Russia includes several enforcement measures based on Sen. Brown's bill, including a requirement that the U.S. Trade Representative monitor Russia's compliance with its WTO obligations, the establishment of an annual report on the United States' actions to promote compliance, and the creation of a formal and public process for business and workers to weigh in on Russia's progress. Russia PNTR passed the Senate in early December.

## **A 21<sup>st</sup> Century Trade Agreement**

Sen. Brown has outlined new trade negotiating objectives to update our trade agreements from the mistakes of the North American Free Trade Agreement (NAFTA) and Central American Free Trade Agreement (CAFTA). His *21<sup>st</sup> Century Trade Agreements and Market Access Act* is a new way forward for trade deals that strengthen labor rights, environmental, health, and food safety standards.

## **Promoting Ohio Exports**

As a member of the President's Export Council, Sen. Brown has been a tireless advocate on behalf of Ohio companies seeking to grow their exports and reach new markets. In 2011, Sen. Brown organized the Ohio Export Advisory Group, which has served as a base for connecting Ohio companies with high level trade officials, including Undersecretary of Commerce Francisco Sanchez and Ambassador Ron Kirk, the U.S. Trade Representative.



Sen. Brown was also a leader in reauthorizing the Export-Import Bank ("Ex-Im"), which was delayed by House Republicans in May, jeopardizing funds before a May 31 lapse in authority.

Since it was first authorized by Congress nearly 70 years ago, the Bank's authority has never lapsed. It has typically been reauthorized in five-year periods with incremental increases in its lending cap.

According to the National Association of Manufacturers (NAM), Ex-Im supports 290,000 export-related American jobs, and more than 85 percent of Ex-Im transactions supported small businesses last year.

## **Labor and Workforce: Supporting Workers in a Tough Economy**

Working families are the backbone of our economy and the economic downturn has meant difficult times for Ohio's workers. Too many parents today must juggle one, two, or even three jobs while raising their children, staying involved in their community and place of worship, or taking care of an elderly relative. Families are less secure, median wages have remained stagnant, and retirement is increasingly difficult to plan. In 2012, Sen. Brown kept up the fight for equal and fair pay, and worked to ensure that Ohioans can earn a living wage.

### **Equal Pay for Equal Work**

Pay discrimination against women continues to be an issue in many workplace sectors. While Congress passed the *Equal Pay Act* in 1963, women today in Ohio only earn about 85 cents for every dollar earned by men. Sen. Brown cosponsored the *Paycheck Fairness Act*, which would provide more effective remedies to victims of discrimination by enhancing enforcement of equal pay requirements. Sen. Brown also supported the *Fair Pay Act of 2011*, which would prohibit wage discrimination based on sex, race, or national origin.

### **Raising the Minimum Wage**

So that all Ohioans can earn a living wage, Sen. Brown supports raising the minimum wage from the current \$7.25 an hour and is in favor of increasing the current \$2.13 minimum hourly wage for tipped workers so that it equals 70 percent of the full minimum wage. Boosting the minimum wage not only helps working families pay bills and provide for basic necessities, but can benefit the American economy. According to the Federal Reserve Bank of Chicago, every \$1 increase for a minimum wage worker translates into \$2,800 spent by the worker's household in the following year.

### **Giving Advance Notice for Layoffs**

When employers have no choice but to lay off workers, it is critical that employees are given advance notice—especially in the case of a mass layoff or plant closing. Congress passed the *Worker Adjustment and Retraining Notification (WARN) Act* in 1988 to give workers and communities 60 days advance notice to adjust to an impending “plant closing” or “mass layoff.”

However, the *WARN Act's* effectiveness has been undermined by existing loopholes and weak enforcement. According to a 2003 report, the *WARN Act* only covers 24 percent of all layoffs. A series of investigations by the Toledo Blade in 2007 revealed that the law does not cover enough layoffs, and that many employers fail to comply with the law.



Sen. Brown's *Federal Oversight, Reform, and Enforcement of the WARN* (FOREWARN) Act would strengthen enforcement of and close loopholes in the current law. The *FOREWARN Act* would give the U.S. Department of Labor (DOL) the authority to enforce the *WARN Act*, and would increase penalties for violation to double back pay.

### **Assisting Unemployed Ohio Workers**

Unemployment insurance (UI) protects Ohioans and their families when their jobs are eliminated, often through no fault of their own. Unemployment insurance allows jobless Ohioans to put food on the table, pay the rent or mortgage, and tend to basic health needs. To ensure the long-term solvency of the UI program, Sen. Brown was an original cosponsor of the *Unemployment Insurance Solvency Act*. This bill would provide an immediate solution to ensuring the continuation of unemployment benefits to the jobless, prevent a tax increase on local employers, and encourage long-term state fiscal responsibility.

Sen. Brown also supports giving unemployed workers a fair shot in the job market. He is an original sponsor of *The Fair Employment Opportunity Act*, which would outlaw hiring discrimination based on one's employment status. Though employers have the right to staff according to their needs, preemptive discrimination against the jobless not only harms those most in need of employment, but can also arbitrarily deny employers with workers who are eager to contribute to the economy.

### **Cracking Down on Payroll Fraud**

Tens of thousands of employers misclassify their employees as independent contractors. As a result, these workers are not eligible for benefits such as minimum wage, overtime, unemployment insurance, and workers' compensation. To address this unfair practice, Sen. Brown introduced the *Payroll Fraud Prevention Act*, which would prevent payroll fraud by employers that misclassify their workers as independent contractors and would provide workers with the protections they are entitled to and the benefits they have earned.

### **Protecting Worker Health and Safety**

Sen. Brown has been a leader in holding mining companies accountable for repeated safety violations. Just over two years ago, our nation experienced the deadliest mine explosion in 40 years when 29 individuals lost their lives in the Upper Big Branch Mine explosion. Following the tragic event, the Mine Safety and Health Administration (MSHA) reported that the explosion was caused by hazardous conditions that could have been prevented. Sen. Brown called for an expedited review of new regulations proposed by MSHA to strengthen the mine safety enforcement system.

### **Preventing Layoffs through Work-Sharing and Short-Time Compensation**

Sen. Brown was an original cosponsor of the *Layoff Prevention Act*, legislation that would expand flexibility for Ohio employers and prevent layoffs. By utilizing short-time compensation (STC), employers could reduce all employees' hours by a percentage, rather than laying off a portion of their workforce. Workers would then be compensated for lost wages through existing unemployment insurance programs. STC programs prevent business disruption and skill erosion by allowing businesses to keep employees on the job with reduced hours.